

W. CHARLES PARADEE, III
STATE REPRESENTATIVE
29th District



HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
LEGISLATIVE HALL
DOVER, DELAWARE 19901

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Natural Resources
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May 27, 2016

The Honorable Norman C. Bay
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Bay,

We have read with deep disappointment the recent news that the U.S. Federal Energy Regulatory Commission (FERC) is requiring that Delaware electricity customers shoulder the bulk of the cost of a power line project on Artificial Island, despite Delaware customers receiving only a small portion of the benefits of said project.

The \$272 million project to build a transmission line to Salem and Hope Creek nuclear plants will have little benefit for the state, but our residents will have to bear the expense of the project. The Delaware and Maryland Public Service Commissions filed a complaint with your agency, alleging the financial burden is “unjust, unreasonable, unduly discriminatory and preferential,” using a flawed assessment of the requirements of the cost allocation model. Despite the PSCs’ best efforts to reduce costs on utility customers, the FERC denied the request.

It’s outrageous that the commission essentially charged Delmarva ratepayers more than 90 percent of the cost for a project for which they will only receive 10 percent of the benefits. As local legislators we have heard from our residents, many of whom cannot fathom why they will be asked to shoulder cost increases they cannot bear.

It is difficult to accept that the FERC has chosen to ignore a more accurate pricing methodology in favor of one that is so badly skewed. As Governor Markell has noted, “The Commission’s Order will have a significant direct negative impact on customers in the Delmarva Zone, and on the economy of the region.” We concur. We join with Governor Markell in urging you and the other FERC Commissioners to grant the request for rehearing submitted by the Delaware and Maryland Public Service Commissions.

The House Democratic Caucus stands united in opposition to the FERC’s decision and urges the FERC to reconsider this ruling. Our small businesses and residents do not deserve to be unfairly targeted with such a burden. They deserve a fair and just review that takes their interests into consideration.

Sincerely,



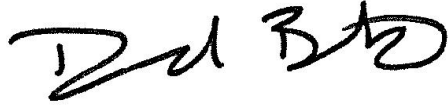
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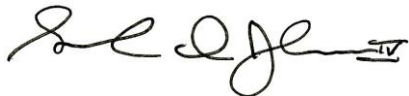
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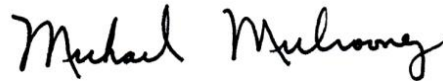
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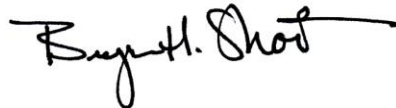
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